

Pinac (HB 623)

Act No.

Existing law prohibits any group, family group, or blanket health insurer from canceling a policy after receiving a covered claim or notice of such a claim for certain terminal, incapacitating, or debilitating conditions.

New law provides that existing law shall not be construed to prohibit an insurer from discontinuing health insurance coverage if he meets the requirements of above existing law and new law.

Existing law provides for requirements which an insurer or health maintenance organization (HMO) must meet before discontinuing a particular type of group or individual health insurance coverage or discontinuing all health insurance coverage in the group or individual market of the state, including providing notice of such discontinuation to plan sponsors, beneficiaries, participants, or covered individuals, as applicable.

New law additionally requires that, prior to providing notice of discontinuation pursuant to existing law, such notice and the product being discontinued be filed with the commissioner of insurance. Further prohibits any insurer or HMO from not renewing any policy or contract of coverage in the individual or group market prior to the end of the last period of coverage stated in the policy or contract.

New law authorizes the Dept. of Insurance to adopt rules and regulations necessary to implement existing law and new law relative to the discontinuation and renewability of health insurance coverage in the individual or group market.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds 22:228(D), 250.7(C)(1)(d), (2)(a)(iii), and (3) and (F), and 250.13(C)(1)(d), (2)(a)(iii), and (3) and (F))